

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: August 17, 2009
POSITION: Neutral
SPONSOR: Westen Center on Law and Poverty

BILL NUMBER: SB 120
AUTHOR: A. Lowenthal

BILL SUMMARY: Residential Utility Service

The bill requires utility companies to provide residential occupants of multiunit residential structures, mobile home parks, or permanent residential structures in a labor camp with notice that services will be terminated at least 10 days prior to termination. This bill would allow tenants to continue service without paying the delinquent amount if all occupants agree to service agreements, or if one or more occupant assumes responsibility for subsequent charges to the extent satisfactory to the utility company.

In the event of a single-family dwelling, notice must be provided at least seven days prior to the proposed termination. Occupants may become customers without paying the delinquent charges if they can provide documentation that the previous customer was a landlord, manager, or agent of the dwelling.

This bill becomes operative July 1, 2010.

FISCAL SUMMARY

This bill has no fiscal impact on the state as there is no state department responsible for landlord-tenant issues.

This bill is keyed as a state mandate because it would expand the definition of an existing crime (existing law makes public utilities that violate the Public Utilities Act guilty of a crime). This mandate would not be reimburseable.

COMMENTS

The Department of Finance is neutral on this bill because it would provide additional protection to tenants by allowing them to continue utility service after property owners fail to pay utility accounts.

Existing law allows tenants of multifamily units, manufactured home parks and labor camps to assume responsibility for past due utility accounts where the owner, manager or operator of the property is the customer of record. The law also requires utility companies to make a good faith effort to notify tenants of utility service termination.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							
	LA	(Dollars in Thousands)							
	CO	PROP							Fund
	RV	98	FC	2009-2010	FC	2010-2011	FC	2011-2012	Code
9990/Var Depts	SO	No	----- No/Minor Fiscal Impact -----						0001

Analyst/Principal (0741) C. McKinney	Date	Program Budget Manager Mark Hill	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)